calculation ; but since they are usually disposed of by sale at the annual jamabandi, and the village officers are not called upon to collect them, it follows that no Potgi is due to them on these amounts.

4. As regards "contributions" (item No. 3 above), by their nature, they are not permanent like land revenue and cesses. Hence the annual Potgi cannot be increased on their account. It has been urged some times (D. R. A. discussions, for example) that village officers help in their collection and should therefore be paid for their services. I am not concerned to deny this and am prepared personally to admit that the Government may sanction in special cases, a commission for their collection in addition to the annual Potgi whenever the amount involved is large or spread over a number of years or for any other valid reasons. But what I urge is that it should not be mixed up with the annual potgi paid for collection of the *permanent* revenue.

5. Further, Rule XV is not happily worded and its meaning is wrapped in obscurity. It speaks of "the assessment of the occupied Government land" being "taken for the calculation" of the Potgi ; whereas, the basis is not merely the assessment proper, but the assessment plus various other items, such as, cesses, jodi and quit-rent. To this, a tenth of the assessment of the assessed waste land of the village is also added under certain circumstances. The rule, as it stands, is not only thus defective, but proceeds elaborately to provide that "the assessment on occupied land plus 10 per cent of the assessment on the assessed waste, should not exceed the gross assessment of the land of the village" as though such a result can be arithmetically possible. To make the sense of this rule clear and to make it accord with the long-standing Departmental practice, I propose that it may be recast as follows:—

"(*a*) The gross revenue demand of the village in the year in which the settlement of remuneration of the village officers is made, will be taken as the basis for the calculation of the remuneration of officiators.

(*b*) To this, ten per cent of the assessment on the assessed waste Government land will be added in cases where the said demand falls short of the gross assessment of *all* the Government land of the village, occupied and waste, but not so as to exceed the same."

6. Finally, I beg to bring to the notice of Government that the present procedure as to the periodical revision of the Potgi is unnecessarily cumbrous and leads to mere delay without corresponding benefit. The basis for calculation of Potgi is fixed by rules framed by Government ; so is the scale and the method of appropriation of the emoluments from service Inam lands, etc. The rest is a mere matter of calculation. In these circumstances, the Survey Superintendent may well be left to prepare and issue the statements direct to the District or Taluk, without asking for the "sanction" of Government or the Revenue Commissioner in each case. It is not even the case that the calculations are checked in either of these Offices ; the "sanction" is a purely formal affair. I therefore suggest that it may be done away with altogether.

ANNEXURE No. II.

Note No. T. 14—25-26, dated, Camp Mysore, 1st October 1925, by the Revenue Commissioner in Mysore.

I have no objection to the Survey Superintendent's proposal to make the rules clearer.

In addition to the items mentioned by him as, V (a) in para 2 of his letter necessary to include 'Hulbanni and Amrayi' based on the average of three preceding the revision, and also "temporary assessment and water-rate" inc under Revenue Miscellaneous. Even though Hulbanni and Amrayi are s auction, the collection is ordinarily made by the Patel and Shanbhog.

As regards para 4 of the Superintendent's letter *re* contribution, I agree with him that this item cannot be made the basis for the annual potgi, but at the same time it is necessary to grant to the Shanbhogs and Patels a certain remuneration for collecting these amounts as a temporary addition to the potgi or a separate commission.

I have no objection to the revision of Rule XV as proposed.

I do not agree to the suggestion made in para 6 of the Superintendent's letter.

Report of the Income Tax Department for the year 1924-25.

READ—

Letter No. C. 77, dated 1st October 1925, from the Commissioner of Income Tax in Mysore, submitting the report on the Administration of the Income Tax Department during the year 1924-25.

ORDER NO. FL. 3719-29—I. T. 15-25-3, DATED 31ST DECEMBER 1925.

Mr. Thyagaraja Iyer, M.A., continued to be in charge of the Department during the year under report.

2. *Working of the Regulation.*—Several measures were sanctioned during the year to remove the hardships complained of by the public.

Income Tax Officers were required to hear the assessees and examine their accounts as far as possible at the headquarter of the taluks to which the parties belong.

The Reciprocal arrangement with the Government of India regarding relief from double income-tax in the case of assessees carrying on business both in British India and Mysore was revised.

Arrangements were made with the Government of India to avoid double taxation of pensions.

Reciprocal arrangements for obtaining information for facilitating disposal of applications for refund of income-tax were made with the Government of India.

3. *Results of Working.*—There was an increase in the number of individual assessees during the year from 4,819 to 5,124. The number of companies was 70 as against 69 in the preceding year, that of firms (3) remaining unchanged. The number assessed to Super Tax was 32 showing an increase of 12 over the figure of the preceding year, 20.

4. Including the arrears at the beginning of the year (Rs. 3,51,787), the total recoverable demand on account of income-tax amounted to Rs. 14,65,233 as against 14,74,436 in the previous year. There has been a small decrease under gross demand and this is attributed to depression in trade specially in timber, iron and piece goods and also to the reduced profits derived by the companies. Under Super Tax the net demand during the year was Rs. 6,28,721 as against 5,85,725 in the previous year.

The collections during the year were on the whole satisfactory being Rs. 12,02,954 under income tax and 5,71,673 under Super Tax as compared to Rs. 9,99,948 and 5,48,294 respectively in 1923-24. The percentage of collection to demand under Income Tax and Super Tax were 81·8 and 91 as against 68 and 93·5 respectively in the year previous. The arrears at the end of the year were Rs. 2,64,309 under income-tax and Rs. 57,047 under Super Tax. Continued attention for the recovery of these outstanding arrears is called for.

The Income Tax and Super Tax recovered from the Gold Mining Companies amounted to Rs. 4,45,151 and 4,35,888 respectively.

5. It is gratifying to note that the returns of income were received from so many as 10,556 against 13,123 notices issued calling for the same. This indicates that the assessees have shown an increasing desire to meet the requirements of the Department. It would be interesting to know the number of cases in which the returns filed by the assessees were accepted as correct and assessment made and the Commissioner is requested to furnish this information in future reports. Of the returns received, 5,067 cases have been found assessable, about 50 per cent of the persons that sent in the returns have been taxed. It is hoped with the recent enhancement of the limits of income of persons from whom returns have alled for this percentage will be higher. Government note with satisfaction that the of cases pending assessment at the close of the year was 58 as against 350 in the year.

Appeals and Reviews.—The disposal of appeals and review applications was fair; has been delay in certain offices in passing final orders after cases were closed such uld not occur. It is observed that the percentages of unsuccessful appeals and

review applications during the year were 74 and 87 as against 58 and 77 respectively in the preceding year.

7. *References to the Chief Court.*—Ten cases were referred to the Chief Court under Section 66 of the Income Tax Regulation during the year as against 4 in the previous year. Of the 4 cases disposed of by the Chief Court, the decisions in 2 cases were favourable to the assessees.

8. *Inspections.*—The programme of inspection of offices was practically carried out during the year. All the offices in their jurisdiction except one were inspected by the Deputy Commissioners of Districts and the Commissioner of Income Tax inspected the offices of all the Deputy Commissioners and while 18 Sub-Division Income Tax offices. The inspection of Offices by the Deputy Commissioner of Income Tax was adequate.

9. There is still considerable room for improvement in the Administration of Income Tax, which can be effected by officers dealing with Income Tax cases taking a larger personal share in assessing the tax.

B. SRINIVASA IYENGAR.
Secretary to Government,
Revenue Department.

ELECTRICAL SECRETARIAT.

Concession Rate.

READ—

G. O. No. E. D. S. 2954-60, dated the 3rd April 1925, directing that a concession rate of 3 annas per B. O. T. U. per month be charged for actual consumption without a minimum in the case of Temples, Mosques and Churches in the Cities of Mysore and Bangalore.

2. Correspondence ending with letter No. 9225, dated the 6th August 1925, from the Chief Electrical Engineer recommending that the concession rate of 3 annas referred to above may be extended to other charitable institutions, such as Orphanages, Musafirkhanas and Chattrams, as also to similar institutions in the Kolar Gold Fields area and furnishing a statistical statement *re* the number of charitable institutions other than those mentioned in the Government Order of 3rd April 1925, and the power consumed by them every month.

3. Note dated the 18th August 1925, by the Secretary to Government, Electrical Department, on the subject.

4. Resolution of the Standing Committee for Public Works, Electrical and Railway Departments passed at its meeting held on the 5th September 1925.

ORDER NO. E. D. S. 2186-202, DATED 16TH—22ND DECEMBER 1925.

Government are pleased to direct that the concession rate of 3 annas per B.O.T.U. per month without a minimum, sanctioned in G. O. No. E. D. S. 2954-60, dated the 3rd April 1925, in the case of Temples, Mosques and Churches in the Cities of Mysore and Bangalore, read above, be extended to Orphanages, Chattrams and other charitable institutions in the Cities of Mysore and Bangalore, as also to those in the Kolar Gold Fields area and other towns lit by electricity.

2. For the purposes of this Government Order, the fact as to whether an institution is a charitable one or not shall be certified to by the Presidents of the City Municipalities in the case of Mysore and Bangalore Cities, the President, Sanitary Board in respect of the Kolar Gold Fields area, and the respective Deputy Commissioners in the case of other towns. Whenever a building though designated as a charitable institution is actually used as residential quarters or for making in any other way, it will not be entitled to the concession rate now sanctioned.

K. R. SESHACHA
Secretary to Gove
Electrical De